

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6949

BILL NUMBER: SB 322

NOTE PREPARED: Jan 6, 2006

BILL AMENDED:

SUBJECT: Forfeiture of public pensions for misconduct.

FIRST AUTHOR: Sen. Kruse

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: Pending

Summary of Legislation: This bill has the following provisions:

(Forfeiture of pension benefit) provides in certain circumstances for the forfeiture of all or a portion of a pension benefit from the state excise police, gaming agent, and conservation enforcement officers' retirement plan, the public employees' retirement fund, and the state police benefit system;

(Responsible Board to consider investigating forfeiture if member convicted of a felony -fraud, deceit, or abuse of public trust) requires the respective boards that administer each of these funds to consider investigating a possible forfeiture whenever a fund member is convicted of a felony involving an act of fraud, deceit, or abuse of the public trust resulting in a financial loss to the public or an unlawful benefit to an individual in the conduct of state business, bribery, official misconduct, or certain other offenses;

(Board to wait until conviction before holding a public hearing) requires a board to wait until the entry of judgment of conviction before holding a public hearing to determine whether forfeiture is appropriate;

(Due Process requirements established) establishes due process requirements for a forfeiture hearing;

(Majority Board vote) requires a majority vote by a board, based on clear and convincing evidence, to forfeit a pension benefit;

(Board to issue written determination and reduce forfeiture if restitution is made) requires a board to: (1) issue a written determination; and (2) reduce the amount of a proposed forfeiture by the amount of any

restitution made;

(Fund member to request reconsideration of forfeiture) allows a fund member to request that the respective board reconsider a forfeiture determination;

(New hearing if Fund member's conviction is reversed) provides for a new hearing if a fund member's conviction is reversed, vacated, or set aside;

(Fund member's contribution returned) provides for the return of a fund member's contributions with interest when the pension benefit is forfeited;

(Evidence confidential until member notified or member makes records public) provides that the administrator's evidence concerning forfeiture is confidential until: (1) the fund member is notified of the forfeiture hearing; or (2) the fund member elects to have the records made public; and

(Final Board determination available for inspection and copying) provides that a final determination of a board is available for inspection and copying.

Effective Date: July 1, 2006.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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